

Document No. 27
To Change In Class. ☐
☐ Declassified
Class. Changed To: TS S 0
Auth: 24-78 By: 35
Date: 5 Dec 62

5 December 1962

MEMORANDUM FOR THE RECORD

SUBJECT: Luncheon Meeting Between the DCI and the Director,
Bureau of the Budget

1. The Director lunched at the White House Mess on Thursday, 29 November 1962, with Mr. David E. Bell, Director, Bureau of the Budget. Messrs. Staats, Amory, and Bross were also present.
2. The Director discussed the coordinating problem as it had developed in the intelligence community from the enactment of the National Security Act in 1947 to the present time. He pointed out that the Agency had developed into an operating and evaluating mechanism which functioned in competition with other Agencies of the Government responsible for intelligence activities. This, he said, was contrary to the original concept of the Act under which CIA was established, primarily to insure coordination and to prevent gaps, overlaps and duplication. He said that the concept of the DCI as a coordinator, as distinguished from the Agency, which functions in competition with the other Agencies, actually violates the letter of the law which vests the coordinating responsibility in the Agency as such. He pointed out that the DCI, in order to function effectively as a coordinator, requires a staff, and that logically he should use the appropriate elements of the Agency itself to support his needs and requirements as a coordinator.
3. Mr. Bell questioned whether things had not gone so far as to make it impossible to set the clock back. The development of the Agency's responsibilities in the collection and operational fields had perhaps now gone so far as to be incompatible with a coordinating role.

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25X1A9a There was some discussion of the functioning of the present Coordination Staff. The DCI pointed out that he had attempted to find an individual with the right qualifications to become the DCI's over-all representative in his coordinating capacity. His most recent effort had been the abortive appointment of [] in this capacity which, for various reasons, had fallen through. For the time being, therefore, the Director was obliged to assume the major share of this responsibility personally.

4. There was general agreement that the exercise of control over resources and facilities at the disposal of the Defense Department and rationalization of requirements for the use and exploitation of these resources and facilities represents the greatest problem. The Director pointed out that in connection with proposed budget cuts, he was concerned by the fact that (assuming the validity of the present estimated cost of the intelligence community), CIA's budget represents [] of the cost of the entire effort. This is a comparatively inconsequential percentage of the total community effort and the DCI did not feel that it was reasonable to ask the Agency to cut its activities which represent the hard core of the American Intelligence effort. If he were asked to take a cut, the Director said that he would eliminate functions. It was up to the Government to decide what levels of Intelligence support are necessary or desirable. Within those levels the DCI expects to have the resources necessary to carry out his responsibilities. 25X1A

5. The DCI also referred to his desire to control the resources necessary to carry out his responsibilities under the NRO. Mr. Bell said that he was sympathetic to this position.

6. Mr. Bell referred to BOB's proposal to exclude from CIA's budget the amounts required for operations against Cuba on the understanding that these amounts would be available from the Reserve. The DCI said that he was directing that an estimate be prepared of the cost

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designed for this purpose although perhaps the amount contemplated would be inadequate.

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7. It was agreed that management of the Defense Intelligence effort is a continuing and complex problem. The DCI stated that, as presently constituted, there are a number of large services of common concern which, for essentially administrative reasons, are located within the Defense Department. He defined these as including NRO, NSA, [] He included NPIC as a comparable service of common concern. He discussed recent experiences in [] which had suggested the danger of an effort by the military to impair accessibility by the intelligence community as a whole to the product of one of these services of common concern. At one point, an effort was made by the Air Force to require all communications and contacts between [] and other instrumentalities of the Government to go through the Air Force command. Mr. Bell indicated his understanding that NRO was functioning adequately. The DCI pointed out that NRO rests on a somewhat ephemeral basis, depending as it does on personalities. He reminded Mr. Bell of the probability of [] early departure from the scene.

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8. The Director described the improvement of NSA under General Blake's present direction.

9. Mr. Bell reverted to an earlier proposal to have an Assistant Secretary of Defense charged with over-all responsibility for intelligence matters. Under this concept, DIA would continue its current collection and production responsibilities but the proposed Assistant Secretary would have over-all responsibility for such activities as NSA, NRO, [] as well as general policy guidance.

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10. There was some talk about the development of DIA which the DCI characterized as somewhat slow and disappointing. All kinds of problems are involved, including room space. In any event, the date for the elimination of service representatives on USIB has had to be deferred. One reason for this is DIA's inability to develop a staff necessary to get General Carroll to assert effective coordination and review as between the individual service estimates.

JOHN A. BROSS
Comptroller

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1- Mr. Amery BOB
1- C/ Budget Division
1- Mr. Kirkpatrick
1- (Comptroller)